



## AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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### Testimony of the Aircraft Owners and Pilots Association in **Support of Senate Bill 1048**

Before the Michigan Senate Transportation Committee

Tuesday, May 8, 2012

Presented by Bryan Budds, Great Lakes Regional Manager, AOPA

Chairman Casperson and Committee Members,

My name is Bryan Budds and I am the Great Lakes Regional Manager for the Aircraft Owners and Pilots Association. The Aircraft Owners and Pilots Association (AOPA), a not-for-profit membership organization, represents the general aviation interests of over 400,000 members nationwide. Since 1939, AOPA has been committed to ensuring the safety, future viability, and development of general aviation airports and their facilities as a part of our national transportation system. On behalf of the more than 10,500 AOPA members in Michigan, please accept our sincere thanks for accepting this testimony regarding Senate Bill 1048.

As you know, Senate Bill 1048 would dedicate a portion of the sales tax levied on aviation gasoline and other aviation purchases to the State Aviation Fund for future investment in the airport system. The current tax structure deposits aviation-derived sales tax revenue into the general fund for purposes unrelated to aviation, leaving aviation infrastructure investment accounts underfunded and the maintenance of basic infrastructure in jeopardy. To better support Michigan's aviation system, Senate Bill 1048 will provide for a sufficient State Aviation Fund that in turn can be used not only to support increased state-sponsored infrastructure investment, but also can be leveraged to secure additional Federal Aviation Administration Airport Improvement Grants.

Further, Michigan's aviation fuel tax rates are among the highest in the nation, yet vital investment in the aviation system continues to decline. As one of only 15 states that impose a sales tax on aviation gasoline, Michigan should be well positioned to support investment in its airports. Senate Bill 1048 would correct this situation by guaranteeing that aviation-derived tax revenue is reinvested in the maintenance and important of existing airport infrastructure – supporting the mode of transportation that generated the revenue. Adoption of Senate Bill 1048 will secure a reliable, user-funded means of financing airport infrastructure investment. It will also ensure the continued safety and efficiency of the State's aviation system as well as the continued health of the \$4 billion annual economic impact of general aviation across the State of Michigan.

Again, thank you for the opportunity to present this testimony in support of Senate Bill 1048 on behalf of the 10,500 AOPA members of Michigan.